

21 April 1980

MEMORANDUM FOR THE RECORD

Staff Meeting Minutes of 21 April 1980

25X1

Mr. Carlucci chaired the meeting. []

Stein expressed his view that the Inspector General's letter to the Chairman, IOB dated 16 April reporting a "technical impropriety" in the expenditure of funds from the Reserve without OMB approval, was in error. Briggs noted that he had discussed the situation with McMahon and Silver and would review same with Stein following the meeting. []

25X1

Fitzwater said, at the request of the widow of a communications officer who wanted a flag which had flown over the Headquarters Building for her husband's funeral, a flag was raised and lowered last Thursday. []

25X1

Fitzwater said several senior officers and others who retired in January and February have not received their retirement paychecks. Additional annuitant examiners are being hired to alleviate the problem. []

25X1

In response to Mr. Carlucci's query re the status of the Reserve budget amendment, [] advised that, according to Randy Jayne, an authorizing letter is being prepared. A brief discussion followed, and Lipton and [] will keep Hitz informed of developments in preparation for the budget mark-up hearing. []

25X1

25X1

25X1

Hetu said that former employee Ted Shackley has submitted for review a manuscript of a book he has written on counterinsurgency. []

25X1

25X1

Clarke called attention to numerous inaccuracies in Jack Anderson's article "Possible Soviet Missile Sites in Cuba" (attached) and noted OSR will be preparing a detailed critique. []

25X1

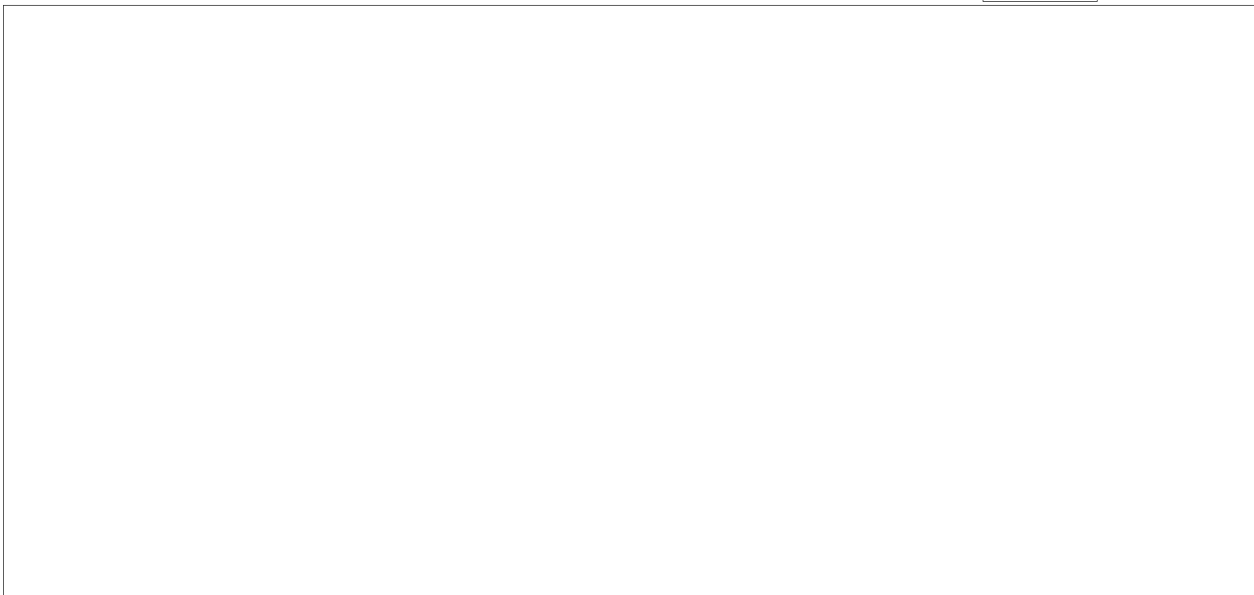
25X1

TOP SECRET

Hitz briefly noted that the Director and Deputy Director will be providing testimony on the Hill tomorrow with regard to geopolitics of oil and cover, respectively. He added that we may be called upon to provide testimony on Charters, 23 or 24 April. Confirming Mr. Carlucci's observation that there are no substantial differences between our mini-charter and the language contained in S.2284, Silver will provide Mr. Carlucci a copy of the bill for his perusal. [] 25X1

Silver reported that an examination of the files confirms that, contrary to the Wall Street Journal article 18 April "IRS vs. CIA," we did nothing to thwart or otherwise interfere with an investigation of Castle Bank (see Morning Minutes of 18 April). [] 25X1

Silver said last Friday he met with the Board of the Association of Former Intelligence Officers to review retiree responsibilities regarding their secrecy agreements. He added that he will be circulating a policy statement for the information and guidance of all concerned. [] 25X1



Attachments (2)

25X1

TOP SECRET

Page Denied

Next 4 Page(s) In Document Denied

WASHINGTON POST

B14

JACK ANDERSON

Possible Soviet Missile Sites in Cuba

The latest intelligence information gathered by U.S. surveillance satellites and other sources has confronted the Carter administration with the alarming possibility that the Soviet Union is once more preparing nuclear missile sites in Cuba.

The introduction of nuclear missiles into the Russian-dominated island 90 miles from Florida took the world to the brink of war in 1962. That time, the Kremlin backed down in the face of a determined stand by President Kennedy.

But the Soviet leaders have obviously decided that Jummy Carter is a president who can be pushed around. His sorry performance last October—when he marched up the hill and back down again over the presence of a Soviet combat brigade in Cuba—coupled with his ineffectual handling of the Tehran hostage situation, may have convinced the Russians they can flout the Monroe Doctrine with impunity.

This changed attitude of the normally cautious old men in the Kremlin lends urgency to U.S. intelligence analysts' attempt to figure out the intended use of several large holes the Russians are digging near the Cuban city of Matanzas. Are they an innocent feature of a suburban housing development, or underground silos for nuclear missiles aimed at the United States?

CIA sources have told my associate Dale Van Atta that the holes are "strikingly similar" in size, shape and construction to those that house nuclear missiles in the Soviet Union. Other agency analysts are not so sure, theorizing that the holes could be part of housing construction or similarly peaceful projects.

The experts who lean toward the view that the holes are missile sites are the same ones who argued—correctly—that the Soviet brigade identified last year was a combat unit.

In support of their interpretation, these analysts point out that the construction near Matanzas, and particularly the Russians' involvement in it, are being protected by unusually strict security. The secrecy extends to the point of barricading the road that leads east from Havana to the construction area.

The mystery of the Matanzas holes is just one more ominous development in the Soviets' increasingly bold military presence in Cuba. In recent months I've reported a number of disturbing intelligence discoveries from Cuba:

- There are already two airfields on the island that can accommodate the Russians' Backfire bomber, and runways at a third field are being lengthened to the required 9,000 feet. A Defense Intelligence Agency report last year warned that the Soviets may send a detachment of the nuclear bombers to Cuba in 1980.

- Our spy satellites over Cuba have sent back pictures of a suspicious-looking building at Punta Movida, near Cienfuegos. It closely resembles the Soviets' nuclear missile storage and maintenance sheds in Eastern Europe. Some intelligence analysts caution, however, that the Cienfuegos construction, which includes a railroad line to the naval base at Punta Movida, may be simply part of a nuclear power plant the Russians are building there.

- The Soviets have been upgrading their communications equipment in Cuba, and can now conduct virtually simultaneous two-way exchanges be-

tween Havana and the Soviets' intelligence headquarters in Moscow. Havana has become the KGB's relay center for its intelligence and subversion operations in Latin America.

- Russian pilots have been flying regular reconnaissance missions from secret Cuban bases, monitoring U.S. naval movements in the Atlantic. The Russians even have an independent fighter unit flying MiG21 jets out of an airfield near Havana.

Watch on Waste—Department of Energy officials are experts in the use of obfuscatory bureaucratic language when they write contracts for outside firms. They laid out some \$30,000 for "technical analysis and support," for example, and listed such impressive-sounding tasks as "agenda preparation," "assessing the technology base" and "abstracting from technical and pragmatic documents and reports." But under questioning by government inspectors, a DOE official admitted that what the contract basically provided was the services of typists and secretaries at a time when the agency was short-staffed.

- Back in 1978, the Office of Education gave a private contractor \$160,947 to survey some 12,000 college graduates in the classes of 1976 and 1977, to determine how many had become teachers. The original deadline for the report was September 1978. But what with extensions and no less than seven contract modifications, the cost to the taxpayers has now reached \$325,920—more than double the anticipated cost. And the taxpayer is still waiting to find out how many of those graduates became teachers when they got out of school two and three years ago.